

**Pasadena, CA**  
**40 Unit Apartment Building**

# CASA LOMA

249 North Euclid Avenue  
Pasadena, CA

- Prime downtown location
- Non-rent control property
- Value-add opportunity

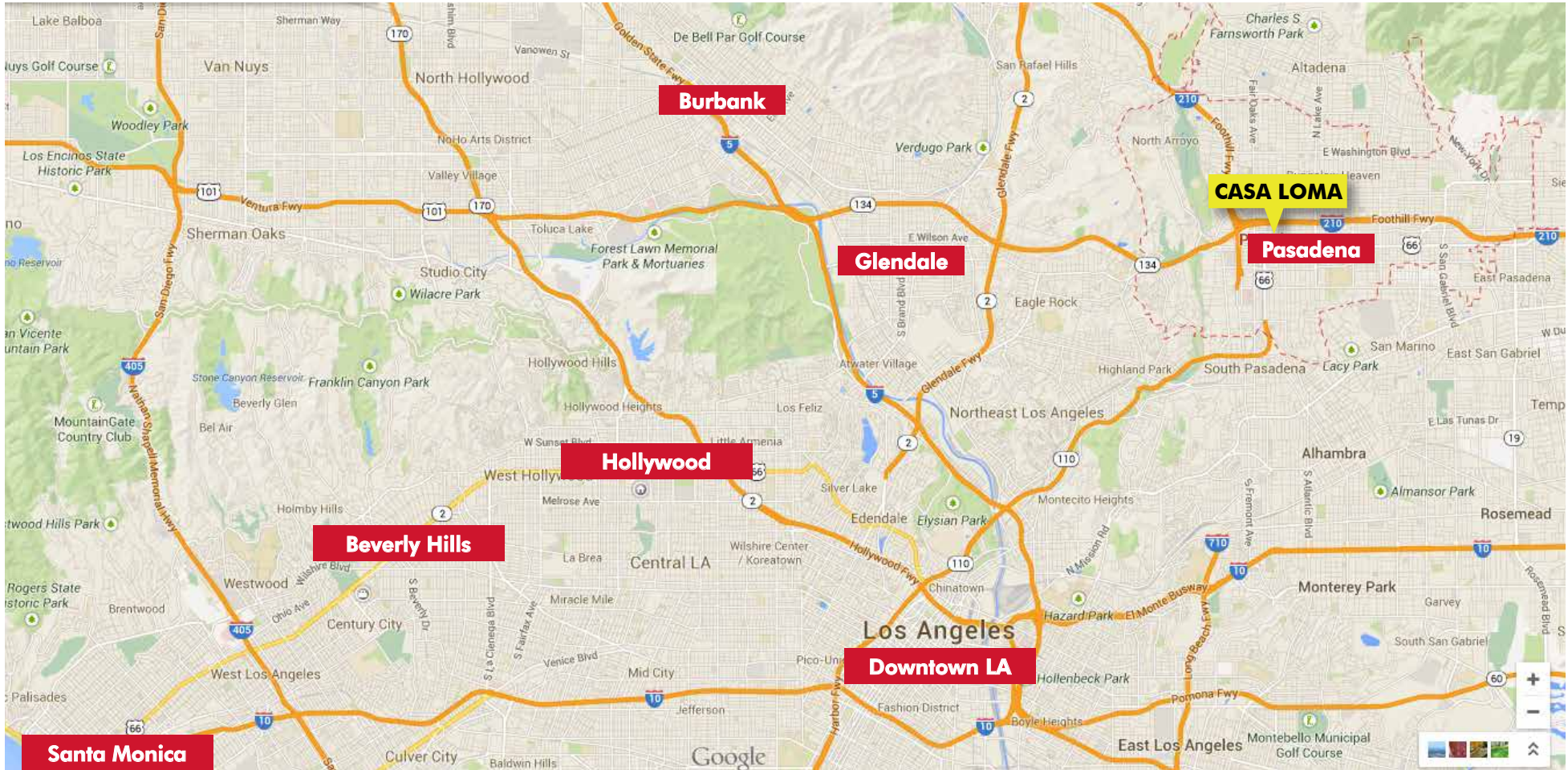
## TOUR DATES

WED. SEPT. 18<sup>TH</sup> :: 11AM - 2PM  
WED. SEPT. 25<sup>TH</sup> :: 11AM - 2PM



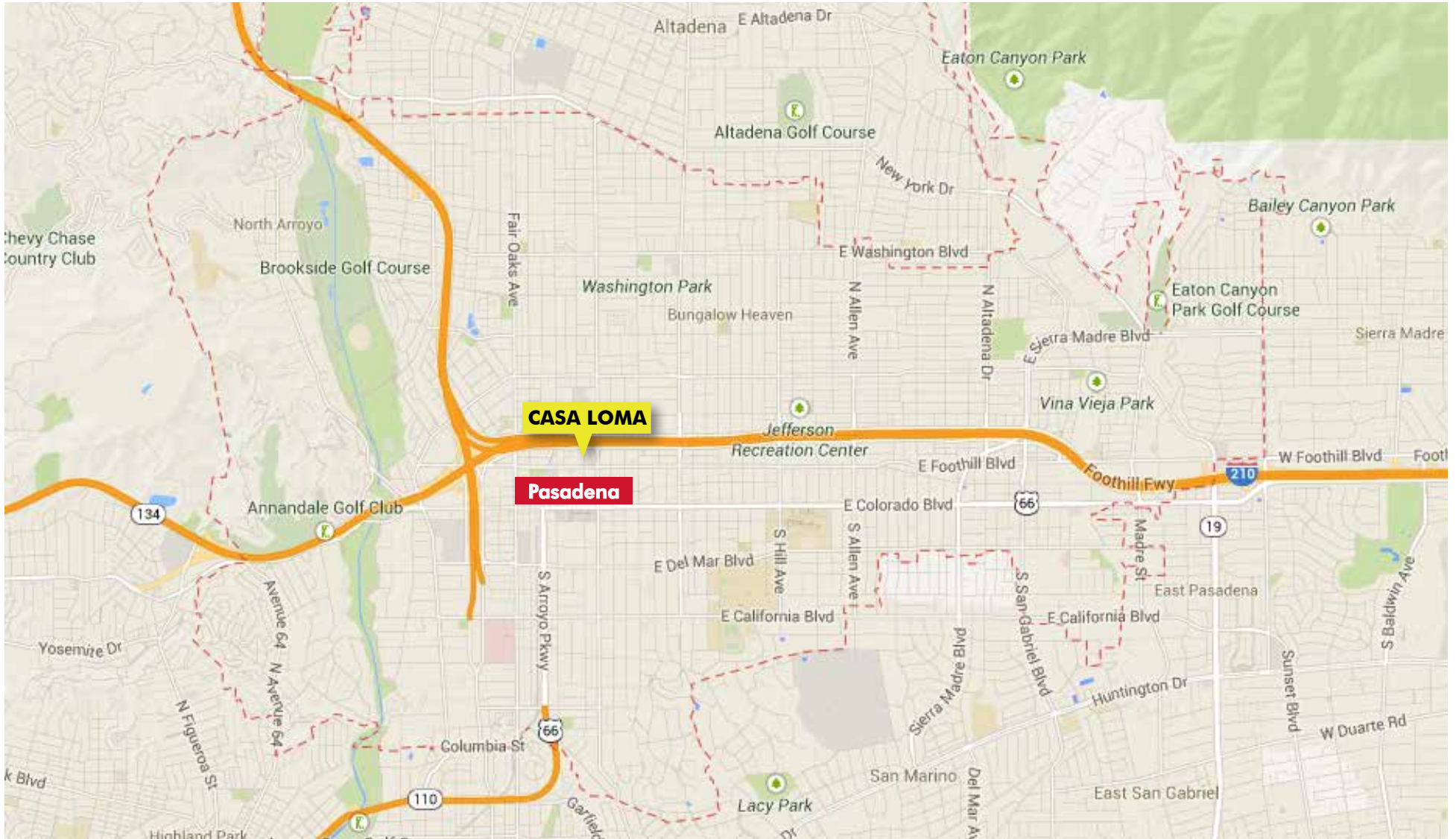


# Greater Los Angeles / City of Pasadena





# City of Pasadena

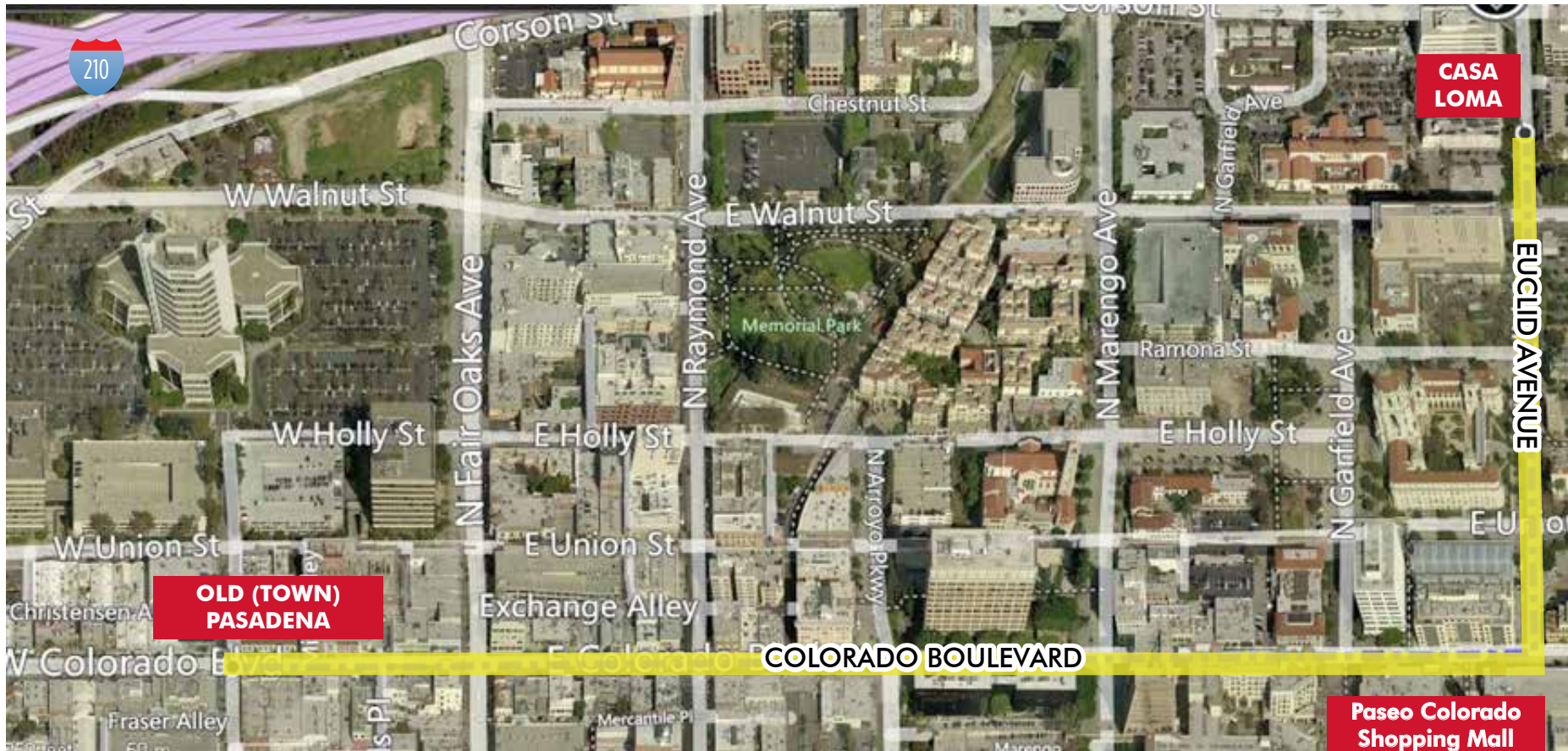


# Downtown Pasadena



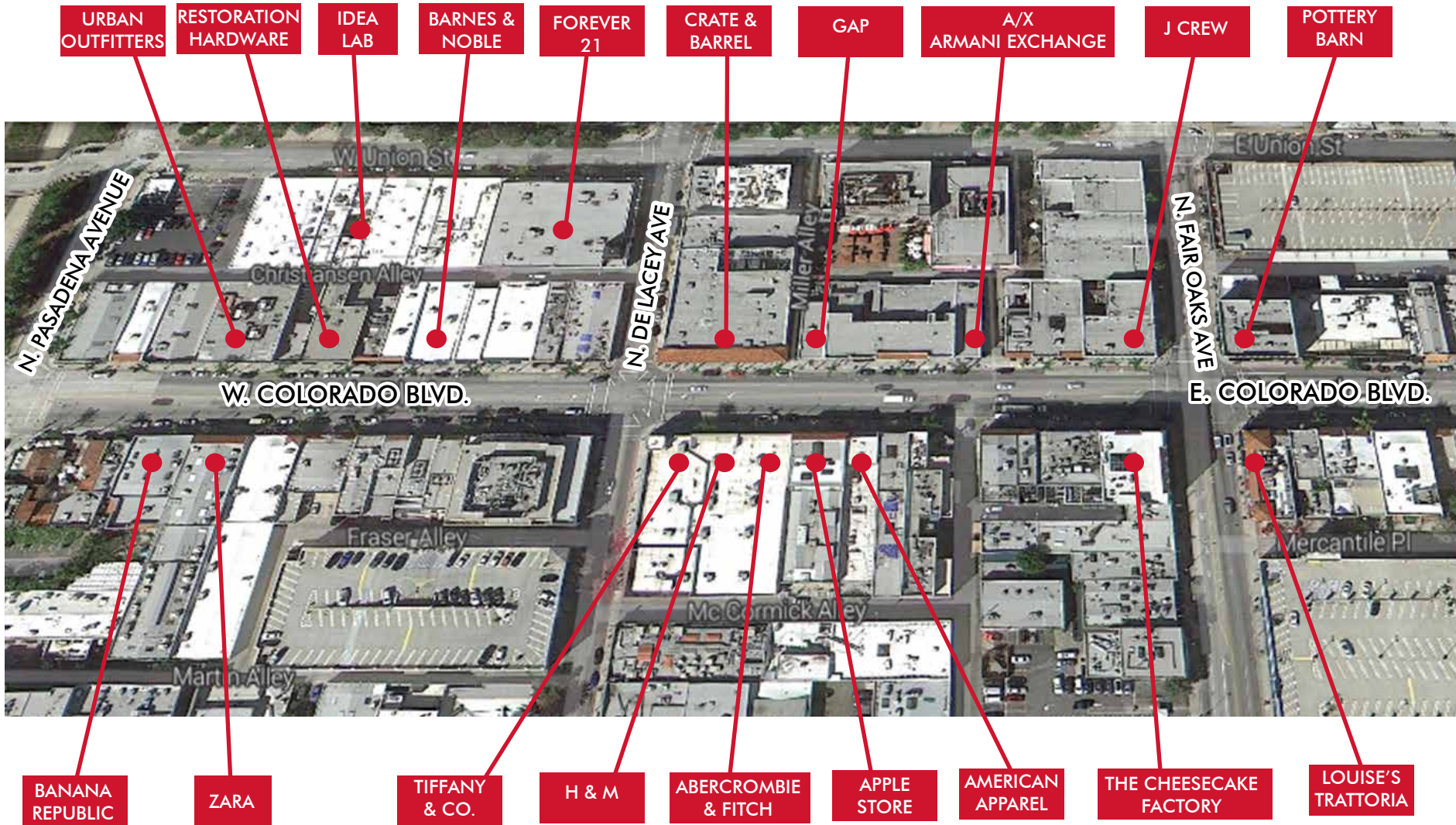


Casa Loma is just minutes from the Paseo Colorado Shopping Mall and Old Town Pasadena.





COLORADO BOULEVARD MAP :: "OLD (TOWN) PASADENA"









PROPERTY PHOTOS





# INVESTMENT OVERVIEW

## Introduction

CBRE, as exclusive advisor, is pleased to present the offering for 249 North Euclid Avenue, known as “Casa Loma”. Casa Loma is a 40 unit apartment building built in 1916 that was originally located a block away at 249 North Garfield Ave. One of California’s first apartment buildings to be lifted in its entirety from the foundation, Casa Loma was moved to its current location in 1924 to make room for what is now the Pasadena Public Library. Current ownership has made recent significant improvements and renovations to the building, including a new roof, upgraded electrical system, new copper/PVC plumbing throughout much of the building, a new water heater, an improved third floor skylight, new marble flooring in the main entrance way, new exterior paint and new landscaping. With its accented parapets, bold square piers and new marble entrance way, the building commands a strong curb appeal.

## Investment Highlights

### Excellent Location

- In the heart of Pasadena’s urban core with easy freeway access
- Blocks from Old Pasadena, Playhouse Plaza, Civic Center

### Value-Add Play

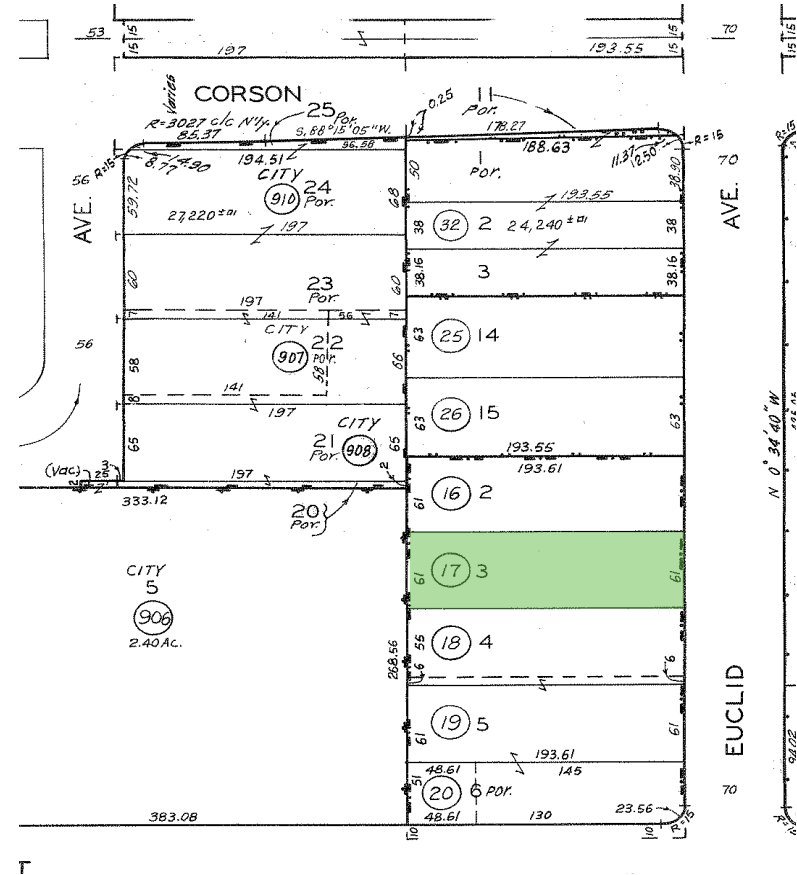
- ± 10% immediate upside in rental income to current market rents
- ± 30% upside by upgrading the units

### Supply Constrained Submarket

- Limited number of new supply coming online because of the current general plan “cap”
- Revised general plan expected to take years to approve

### High Occupancy Area

- Current occupancy in Pasadena area is 97%
- Population over ± 500,000 within a ± 5 mile radius





## PROPERTY SUMMARY

<b>PRICE</b>	\$5,975,000
<b>PRICE/UNIT</b>	\$149,375
<b>PRICE/SF</b>	\$276
<b>NUMBER OF UNITS</b>	40
<b>APN</b>	5723-004-017
<b>YEAR BUILT</b>	1916
<b>BUILDING SF</b>	± 21,642 SF
<b>LOT AREA</b>	± 12,245 SF
<b>PARKING</b>	8 spaces
<b>ZONING</b>	CD-2

## UNIT MIX

UNIT TYPE	NO. OF UNITS	EST. UNIT SF
Studio	28	± 425
1+1	12	± 546
<b>TOTAL</b>	<b>40</b>	<b>± 461</b>

## PRICING SUMMARY

	In-Place Rents	Current Asking Rents	Forecasted Rents After Unit Upgrades
<b>CAP RATE</b>	3.9%	4.5%	6.0%
<b>GRM</b>	13.2	12.1	10.2





## PROPERTY SUMMARY

### Capital Improvements

Current ownership has significantly improved most of the building systems and exteriors, as well as one unit interior. The following list of improvements have been made since 2012.

- Renovated roof
- Upgraded electrical system
- Copper plumbing throughout much of the building
- New water heater
- Two new laundry rooms so now one on each floor
- Refurbished building skylight
- New marble flooring in lobby
- New exterior paint
- New landscaping
- Solar driven attic ventilation fans (located on the roof)
- R-30 insulation in the attic
- Upgraded irrigation system
- New light fixtures
- Vintage 1920s sconces

### Storage

There are two rooms in the basement in which storage units for tenants can be built. CBRE's Proforma Net Operating Income assumes 15 storage units will be built with an average monthly rent of \$30/month/unit.

### Natural Ventilation

When the building was constructed, electricity was in its infancy and buildings were more efficiently designed for ventilation. As a result, the building enjoys a natural ventilation system that allows the outside air to come through the windows, migrate through the closet and bathroom and continue to flow through an exhaust to the outside. Additionally, the main entry door features a top window that can be opened to provide natural ventilation throughout the corridors and flows out of the building. Double pane windows were installed on the south and west sides of the building which feature a very low UV factor and help to manage energy costs. Approximately half of the units have window AC units, which the landlord charges an additional \$40/month/unit for the four hottest months of the year.

### Landscaping

The property features new landscaping on the south side of the property providing natural shade, which will also help save on energy costs as well as provide visual enjoyment for the tenants. A new irrigation sprinkler system was added in the past year as well.

### Construction

The building was originally constructed of high grade redwood. Therefore ownership has seen little if any evidence of termite and dry rot because of the high quality of the wood.





## INVESTMENT OVERVIEW

### Excellent Location

Casa Loma is located in the heart of Downtown Pasadena, and is an easy walk to the shops and restaurants of Colorado Blvd in famous Old Pasadena, the arty area of the Playhouse District and the majestic beauty of City Hall located in the Civic Center located just one block away. Its location provides for easy access to three major freeways, the 210, the 134 and the 110, which connect the Pasadena to neighboring Los Angeles, Burbank, Glendale, and the Valleys.

Downtown Pasadena, including Old Pasadena and the Playhouse District, command some of the strongest residential rents in Greater Los Angeles, rivaling Santa Monica, West Hollywood and Manhattan Beach as the choice region for new millennials, executives, young urban families and retirees. Casa Loma offers the flexibility to live in a beautifully designed historic building at a price point that caters to young professionals and empty-nesters wishing to live in the heart of a vibrant city.

### Value-Add Play

Casa Loma offers the investor the opportunity to increase rental income  $\pm 10\%$  to current market rents at the expiration of the current leases. Many leases are on a month-to-month basis and could be increased immediately. The City of Pasadena does not have rent control, allowing owners to keep their properties at market rents. By upgrading the units however, there is an opportunity to add value and significantly improve the rental income in excess of  $\pm 30\%$  over in-place rents.

Casa Loma is well positioned to take advantage of Pasadena's robust rental market. Some possible unit upgrades that are seen in other similar buildings with strong rents are the following:

- Stone countertops
- Upgraded kitchen appliances
- Hardwood-style flooring
- New bathroom vanities
- A/C units standard throughout (currently renters install their own)
- Offer some units furnished
- Complimentary Wi-Fi
- Provide flat screen televisions
- Crown molding
- Upgraded lighting
- Upgraded cabinetry



Possible common area upgrades to consider are the following:

- Basement bike racks
- Upgraded hallway flooring
- Upgraded hallway lighting
- Upgraded hallway decor



## INVESTMENT OVERVIEW

### Supply Constrained Market

Pasadena's general plan has a limitation (a "cap") on the maximum number of residential units that may be built within the city. Including all projects that are currently in some stage of entitlement or approval, the cap is expected to be reached by late 2013. A revision to the general plan has been submitted to City Council for approval which would increase the cap by approximately 3,000 units over the next 20 years. However, the revision is not expected to be approved for at least one to two years, and since it takes approximately two years to entitle projects in Pasadena, new construction starts in the next  $\pm 4$  years will be limited to only those projects in the current pipeline. Because of this, rents for existing buildings are expected to continue rising.

### High Occupancy Market and Strong Tenant Base

Pasadena has a dynamic population and a strong employer base. The population within a  $\pm 5$  mile radius of the Property is over 500,000. Its approximate 30,934 rental units have an incredibly high occupancy rate, currently at 97%. Within a  $\pm 1$  mile radius of Casa Loma, the population is projected to increase by 3.5% in the next five years.

The median household income of Pasadena is over \$65,000 per year, however within an approximate 3 mile radius of Casa Loma, the median household income is significantly higher, with estimates over \$90,000.

#### Top Pasadena Employers

Company	Business/Product	Employees
Jet Propulsion Laboratory	Aerospace/Research	5,200
California Institute of Technology	Private University	3,600
Huntington Memorial Hospital	Hospital	3,000
SBC (Pacific Bell)	Communications	2,525
Pasadena City College	Education	2,200
Pasadena Unified Schools	Education	2,007
Kaiser Permanente	Health Care	2,000
Parsons Corporation	Engineering/Construction	2,000
City of Pasadena	Government	1,825
IndyMac Bank	Financial	1,596
Bank of America	Financial	1,300



## INVESTMENT OVERVIEW

### Urban Core Migration

Casa Loma offers the charm of an historical building located in the heart of Downtown Pasadena and is walking distance to many local amenities (its location scored an 86 "very walkable" on Walkscore.com).

Pasadena is undergoing an urban renaissance and is drawing a younger more dynamic population to its core. The largest age bracket in the city of Pasadena is now young adults age 25-34 (17.4%) and age 35-44 (13.97%). An increasing number of young urban professionals and couples with dual incomes are moving to Downtown cores like Pasadena to seek an urban lifestyle where they can walk to work, the gym, the supermarket, local restaurants and entertainment venues. Empty-nesters who have downsized are also choosing to move into the Downtown area to take advantage of its walkability. Accordingly, Casa Loma is uniquely positioned to take advantage of this trend.

City officials have proposed the idea of using the city's transportation improvement fee to make pedestrian and bike-friendly upgrades to Downtown streets and using residential impact fees to create parks in the central district. There has even been a proposal to have a trolley that circles the Downtown Pasadena area.

Aerial Facing West



## INVESTMENT OVERVIEW

### Development Trend: Micro Units

The original developers of 1916 had it right all along with their unit sizes coincidentally one of the trends that has been occurring in the past several years in Los Angeles and in other major metropolitan areas across the country is the development of “micro units”. These units, appropriately named so for their smaller size, averaging approximately 400 square feet, have been a favorite for many developers looking to maximize rental rates, which in some buildings achieve over \$5.00/sq.ft. Locally, these micro units can be seen in submarkets such as Santa Monica, Hollywood, Glendale and are spreading throughout other prime areas of the Greater Los Angeles area. Driving this trend is the shifting demographics. Many of the Millennial / Y Generation, have favored smaller apartments near urban cores where the total monthly rental rate is more affordable than that of a larger unit.

With an average unit size of 461 square feet, the units in Casa Loma are well positioned to capitalize on this trend. Modernizing the units by offering such amenities as complimentary Wi-Fi, flat screen televisions, and small but sleek new kitchens, etc., will attract tenants who want the comforts of a high-end unit, the charm of an historic building, and a location with walkable amenities of an urban core at a monthly rental rate that is significantly lower than one and two bedroom units in the same location.





249 NORTH EUCLID AVENUE, PASADENA, CA  
RENT ROLL AS OF SEPTEMBER 2013

Unit Number	Est. SF	Type	Market Rent after Renovations	Current Asking Rent If Vacant	Current In- Place Rent	Move-In Date
1	425	Studio	\$1,044	\$950	\$800	05/17/10
2	500	1 + 1	\$1,411	\$1,004	\$1,000	03/03/07
3	425	Studio	\$1,044	\$950	\$800	03/01/13
4	425	Studio	\$1,044	\$950	\$850	04/05/13
5	425	Studio	\$1,044	\$950	\$900	09/15/12
6	550	1 + 1	\$1,552	\$1,104	\$1,035	05/01/10
7	425	Studio	\$1,044	\$950	\$800	09/05/10
8	425	Studio	\$1,044	\$950	\$850	03/01/13
9	550	1 + 1	\$1,552	\$1,104	\$700	06/01/13
10	425	Studio	\$1,044	\$950	\$750	12/02/08
11	425	Studio	\$1,044	\$950	\$1,000	02/01/13
12	425	Studio	\$1,044	\$950	\$800	06/01/13
14	425	Studio	\$1,044	\$950	\$750	02/01/12
15	550	1 + 1	\$1,552	\$1,104	\$1,100	10/02/11
201	550	1 + 1	\$1,552	\$1,104	\$1,085	09/03/07
202	550	1 + 1	\$1,552	\$1,104	\$1,000	09/01/11
203	425	Studio	\$1,044	\$950	\$800	09/14/10
204	425	Studio	\$1,044	\$950	\$1,035	07/01/11
205	425	Studio	\$1,044	\$950	\$700	09/01/12
206	425	Studio	\$1,044	\$950	\$850	06/01/12
207	425	Studio	\$1,044	\$950	\$850	04/01/13
208	425	Studio	\$1,044	\$950	\$850	09/01/12
209	425	Studio	\$1,044	\$950	\$750	05/10/11
210	425	Studio	\$1,044	\$950	\$800	09/01/11
211	425	Studio	\$1,044	\$950	\$875	04/27/04
212	550	1 + 1	\$1,552	\$1,104	\$1,055	04/09/05
215	550	1 + 1	\$1,552	\$1,104	\$1,200	04/01/13
301	550	1 + 1	\$1,552	\$1,104	\$1,050	07/09/07
302	425	Studio	\$1,044	\$950	\$1,200	07/21/13
303	425	Studio	\$1,044	\$950	\$950	05/20/01
304	550	1 + 1	\$1,552	\$1,104	\$1,100	11/23/12
305	425	Studio	\$1,044	\$950	\$850	09/15/12
306	425	Studio	\$1,044	\$950	\$800	02/01/12
307	425	Studio	\$1,044	\$950	\$850	02/01/12
308	425	Studio	\$1,044	\$950	\$1,050	12/01/12
309	425	Studio	\$1,044	\$950	\$725	10/22/10
310	425	Studio	\$1,044	\$950	\$900	05/02/08
311	425	Studio	\$1,044	\$950	\$850	01/25/10
312	550	1 + 1	\$1,552	\$1,104	\$1,060	04/01/09
315	550	1 + 1	\$1,552	\$1,104	\$1,200	11/01/12
	18,450		\$47,700	\$39,750	\$36,570	

FINANCIALS- FORECASTED OPERATIONS AFTER FURTHER RENOVATIONS

249 NORTH EUCLID AVENUE, PASADENA, CA						
FORECASTED OPERATIONS AFTER FURTHER RENOVATIONS						
INVESTMENT PRO FORMA						
ESTIMATED INCOME		Annual	% of EGI	Per Unit	Comments	
Rent Income	\$47,700 per mon.	\$572,400	99.7%	\$14,310	Estimated Market Rents after Renovations	
<b>Total Scheduled Gross Income</b>		<b>\$572,400</b>	<b>99.7%</b>	<b>\$14,310</b>		
Vacancy	3.0% of SGI	(\$17,172)	-3.0%	(\$429)		
<b>Total Net Rental Income</b>		<b>\$555,228</b>	<b>96.7%</b>	<b>\$13,881</b>		
Storage Income (Proposed)	\$450 per mon.	\$5,400	0.9%	\$135	Estimated at \$30/mo. for 15 spaces	
Parking Income	\$280 per mon.	\$3,360	0.6%	\$84	\$35/mo. for 8 spaces	
A/C Income	\$267 per mon.	\$3,200	0.6%	\$80	\$40/mo. for 20 units for 4 mos.	
Laundry Income	\$340 per mon.	\$4,080	0.7%	\$102	Historicals	
Other Income	\$225 per mon.	\$2,700	0.5%	\$68	Historicals	
<b>TOTAL ESTIMATED INCOME</b>		<b>\$573,968</b>	<b>100.0%</b>	<b>\$14,349</b>		
ESTIMATED EXPENSES		Annual	% of Exp.	% of EGI	Per Unit	
Property Taxes	1.138089% of est. price	\$68,001	31.3%	11.8%	\$1,700	County of Los Angeles
Direct Assessments		\$5,836	2.7%	1.0%	\$146	County of Los Angeles
City Fees		\$1,656	0.8%	0.3%	\$41	City of Pasadena
Insurance	\$0.40 per GSF	\$8,657	4.0%	1.5%	\$216	Estimate
Management Fee	4.0% EGI	\$22,959	10.6%	4.0%	\$574	Estimate
Payroll	\$2,200 per mon.	\$26,400	12.2%	4.6%	\$660	Free rent of \$1,200/mo. + \$1,000/mo.
Electricity	\$1,385 per mon.	\$16,620	7.7%	2.9%	\$416	Historicals
Water & Sewer	\$1,115 per mon.	\$13,380	6.2%	2.3%	\$335	Historicals
Gas	\$825 per mon.	\$9,900	4.6%	1.7%	\$248	Historicals
Cleaning	\$395 per mon.	\$4,740	2.2%	0.8%	\$119	Historicals
Turnover	\$200 per unit	\$8,000	3.7%	1.4%	\$200	Estimate
Repairs and Maintenance	\$300 per unit	\$12,000	5.5%	2.1%	\$300	Estimate
Fire/Safety	\$45 per mon.	\$540	0.2%	0.1%	\$14	Historicals
Elevator Service	\$146 per mon.	\$1,756	0.8%	0.3%	\$44	Historicals
Extermination	\$105 per mon.	\$1,260	0.6%	0.2%	\$32	Historicals
Landscaping	\$190 per mon.	\$2,280	1.1%	0.4%	\$57	Historicals
Trash Removal	\$270 per mon.	\$3,240	1.5%	0.6%	\$81	Historicals
Administration	\$150 per mon.	\$1,800	0.8%	0.3%	\$45	Estimate
Reserves	\$200 per unit	\$8,000	3.7%	1.4%	\$200	Industry Standard
<b>TOTAL ESTIMATED EXPENSES</b>		<b>\$217,024</b>	<b>100.0%</b>	<b>37.8%</b>	<b>\$5,426</b>	
<b>ESTIMATED NET OPERATING INCOME</b>		<b>\$356,944</b>		<b>62.2%</b>	<b>\$8,924</b>	



FINANCIALS- FORECASTED OPERATIONS WITH ALL UNITS AT CURRENT ASKING RENTS

249 NORTH EUCLID AVENUE, PASADENA, CA						
FORECASTED OPERATIONS WITH ALL UNITS AT CURRENT ASKING RENTS						
INVESTMENT PRO FORMA						
ESTIMATED INCOME		Annual	% of EGI	Per Unit	Comments	
Rent Income	\$39,750 per mon.	\$477,000	99.1%	\$11,925	Current Asking Rents	
<b>Total Scheduled Gross Income</b>		<b>\$477,000</b>	<b>99.1%</b>	<b>\$11,925</b>		
Vacancy	3.0% of SGI	(\$14,310)	-3.0%	(\$358)		
<b>Total Net Rental Income</b>		<b>\$462,690</b>	<b>96.1%</b>	<b>\$11,567</b>		
Storage Income (Proposed)	\$450 per mon.	\$5,400	1.1%	\$135	Estimated at \$30/mo. for 15 spaces	
Parking Income	\$280 per mon.	\$3,360	0.7%	\$84	\$35/mo. for 8 spaces	
A/C Income	\$267 per mon.	\$3,200	0.7%	\$80	\$40/mo. for 20 units for 4 mos.	
Laundry Income	\$340 per mon.	\$4,080	0.8%	\$102	Historicals	
Other Income	\$225 per mon.	\$2,700	0.6%	\$68	Historicals	
<b>TOTAL ESTIMATED INCOME</b>		<b>\$481,430</b>	<b>100.0%</b>	<b>\$12,036</b>		
ESTIMATED EXPENSES		Annual	% of Exp.	% of EGI	Per Unit	
Property Taxes	1.138089% of est. price	\$68,001	31.9%	14.1%	\$1,700	County of Los Angeles
Direct Assessments		\$5,836	2.7%	1.2%	\$146	County of Los Angeles
City Fees		\$1,656	0.8%	0.3%	\$41	City of Pasadena
Insurance	\$0.40 per GSF	\$8,657	4.1%	1.8%	\$216	Estimate
Management Fee	4.0% EGI	\$19,257	9.0%	4.0%	\$481	Estimate
Payroll	\$2,200 per mon.	\$26,400	12.4%	5.5%	\$660	Free rent of \$1,200/mo. + \$1,000/mo.
Electricity	\$1,385 per mon.	\$16,620	7.8%	3.5%	\$416	Historicals
Water & Sewer	\$1,115 per mon.	\$13,380	6.3%	2.8%	\$335	Historicals
Gas	\$825 per mon.	\$9,900	4.6%	2.1%	\$248	Historicals
Cleaning	\$395 per mon.	\$4,740	2.2%	1.0%	\$119	Historicals
Turnover	\$200 per unit	\$8,000	3.8%	1.7%	\$200	Estimate
Repairs and Maintenance	\$300 per unit	\$12,000	5.6%	2.5%	\$300	Estimate
Fire/Safety	\$45 per mon.	\$540	0.3%	0.1%	\$14	Historicals
Elevator Service	\$146 per mon.	\$1,756	0.8%	0.4%	\$44	Historicals
Extermination	\$105 per mon.	\$1,260	0.6%	0.3%	\$32	Historicals
Landscaping	\$190 per mon.	\$2,280	1.1%	0.5%	\$57	Historicals
Trash Removal	\$270 per mon.	\$3,240	1.5%	0.7%	\$81	Historicals
Administration	\$150 per mon.	\$1,800	0.8%	0.4%	\$45	Estimate
Reserves	\$200 per unit	\$8,000	3.8%	1.7%	\$200	Industry Standard
<b>TOTAL ESTIMATED EXPENSES</b>		<b>\$213,323</b>	<b>100.0%</b>	<b>44.3%</b>	<b>\$5,333</b>	
<b>ESTIMATED NET OPERATING INCOME</b>		<b>\$268,107</b>		<b>55.7%</b>	<b>\$6,703</b>	

249 NORTH EUCLID AVENUE, PASADENA, CA  
CURRENT OPERATIONS

		INVESTMENT PRO FORMA				
ESTIMATED INCOME		Annual	% of EGI	Per Unit	Comments	
Rent Income	\$36,570 per mon.	\$438,840	98.7%	\$10,971	Actual from Rent Roll	
<b>Total Scheduled Gross Income</b>		<b>\$438,840</b>	<b>98.7%</b>	<b>\$10,971</b>		
Vacancy	3.0% of SGI	(\$13,165)	-3.0%	(\$329)		
<b>Total Net Rental Income</b>		<b>\$425,675</b>	<b>95.8%</b>	<b>\$10,642</b>		
Storage Income (Proposed)	\$450 per mon.	\$5,400	1.2%	\$135	Estimated at \$30/mo. for 15 spaces	
Parking Income	\$280 per mon.	\$3,360	0.8%	\$84	\$35/mo. for 8 spaces	
A/C Income	\$267 per mon.	\$3,200	0.7%	\$80	\$40/mo. for 20 units for 4 mos.	
Laundry Income	\$340 per mon.	\$4,080	0.9%	\$102	Historicals	
Other Income	\$225 per mon.	\$2,700	0.6%	\$68	Historicals	
<b>TOTAL ESTIMATED INCOME</b>		<b>\$444,415</b>	<b>100.0%</b>	<b>\$11,110</b>		
ESTIMATED EXPENSES		Annual	% of Exp.	% of EGI	Per Unit	
Property Taxes	1.138089% of est. price	\$68,001	32.1%	15.3%	\$1,700	County of Los Angeles
Direct Assessments		\$5,836	2.8%	1.3%	\$146	County of Los Angeles
City Fees		\$1,656	0.8%	0.4%	\$41	City of Pasadena
Insurance	\$0.40 per GSF	\$8,657	4.1%	1.9%	\$216	Estimate
Management Fee	4.0% EGI	\$17,777	8.4%	4.0%	\$444	Estimate
Payroll	\$2,200 per mon.	\$26,400	12.5%	5.9%	\$660	Free rent of \$1,200/mo. + \$1,000/mo.
Electricity	\$1,385 per mon.	\$16,620	7.8%	3.7%	\$416	Historicals
Water & Sewer	\$1,115 per mon.	\$13,380	6.3%	3.0%	\$335	Historicals
Gas	\$825 per mon.	\$9,900	4.7%	2.2%	\$248	Historicals
Cleaning	\$395 per mon.	\$4,740	2.2%	1.1%	\$119	Historicals
Turnover	\$200 per unit	\$8,000	3.8%	1.8%	\$200	Estimate
Repairs and Maintenance	\$300 per unit	\$12,000	5.7%	2.7%	\$300	Estimate
Fire/Safety	\$45 per mon.	\$540	0.3%	0.1%	\$14	Historicals
Elevator Service	\$146 per mon.	\$1,756	0.8%	0.4%	\$44	Historicals
Extermination	\$105 per mon.	\$1,260	0.6%	0.3%	\$32	Historicals
Landscaping	\$190 per mon.	\$2,280	1.1%	0.5%	\$57	Historicals
Trash Removal	\$270 per mon.	\$3,240	1.5%	0.7%	\$81	Historicals
Administration	\$150 per mon.	\$1,800	0.8%	0.4%	\$45	Estimate
Reserves	\$200 per unit	\$8,000	3.8%	1.8%	\$200	Industry Standard
<b>TOTAL ESTIMATED EXPENSES</b>		<b>\$211,842</b>	<b>100.0%</b>	<b>47.7%</b>	<b>\$5,296</b>	
<b>ESTIMATED NET OPERATING INCOME</b>		<b>\$232,573</b>		<b>52.3%</b>	<b>\$5,814</b>	



## PROJECTED CASH FLOW AFTER FURTHER RENOVATIONS

249 NORTH EUCLID AVENUE, PASADENA, CA BUYER'S PROJECTED CASH FLOW AFTER FURTHER RENOVATIONS			
Price	\$5,975,000	Down Payment	\$2,549,154
Units	40	Interest Rate [1]	3.79%
Building Gross Sq.Ft.	21,642	Loan Term	5
Cap Rate	5.97%	Amortization	30
GRM	10.1	DCR	1.87
Price/SF	\$276	Debt Constant	5.58%
Price/Unit	\$149,375	Principal Reduction	\$62,562
Loan Amount	\$3,425,846	Total Pre-tax return	\$228,184
Loan to Value	57%	Total Return	9.0%
CASH FLOW ANALYSIS			
Total Scheduled Gross Income			\$572,400
Vacancy Reserve (3.0%):			<u>(\$17,172)</u>
Total Net Rental Income			\$555,228
Storage Income (Proposed)			\$5,400
Parking Income			\$3,360
A/C Income			\$3,200
Laundry Income			\$4,080
Other Income			<u>\$2,700</u>
<b>TOTAL ESTIMATED INCOME</b>			<b>\$573,968</b>
<b>TOTAL ESTIMATED EXPENSES</b>			<b>\$217,024</b>
<b>ESTIMATED NET OPERATING INCOME</b>			<b>\$356,944</b>
Less Yearly Loan Payments:			<u>(\$191,322)</u>
Projected Cash Flow:			<u>\$165,622</u>
Plus Loan Principal Reduction:			<u>\$62,562</u>
<b>TOTAL RETURN</b>			<b><u>\$228,184</u></b>
<i>(Excludes appreciation and tax benefits)</i>			
<b>TOTAL RETURN</b>			<b>9.0%</b>
<p>The actual cash flow during Buyer's ownership of the Property may differ considerably from stated herein. Buyer shall employ legal, accounting, property management and other experts to evaluate the future income, expenses, cash flow and economic feasibility of the Property. Buyer shall purchase the Property relying on Buyer's own evaluation and investigation.</p>			

[1] Interest rate quote is from Chase Bank and was obtained on September 16, 2013.

## LOCATION OVERVIEW

### Access

Pasadena is served by several major freeways. The Foothill (Interstate 210) Freeway traverses the city in an east/west direction. This freeway runs from the north San Fernando Valley to the eastern portion of Los Angeles County. On the west side of Pasadena, the Foothill Freeway connects to the Ventura (State Route 134) Freeway, which continues westward through Glendale and the San Fernando Valley. The Long Beach (Interstate 710) Freeway extends from Long Beach to Alhambra (south of Pasadena) and may eventually connect to the Foothill Freeway. The Pasadena (Interstate 110) Freeway provides direct access between the southwestern portion of Pasadena to downtown Los Angeles, continuing to the South Bay. This freeway is particularly significant in that it makes Pasadena one of the most accessible areas to downtown Los Angeles.

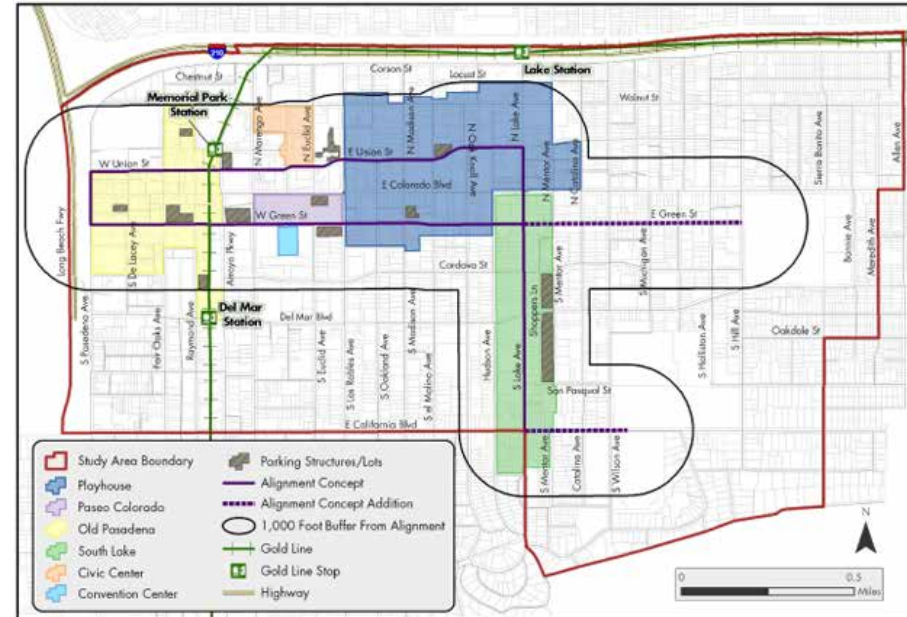
Within the city, there are numerous surface streets providing local access. Primary east/ west streets include Washington, Orange Grove, Colorado, Del Mar, and California Boulevards. North/south primary arterials are Fair Oaks, Los Robles, Lake, Allen Avenues, and Sierra Madre, San Gabriel, and Rosemead Boulevards.

Mass transportation is provided by local and regional bus lines. A light rail commuter line (the Metro Gold Line) opened in July 2003. This line runs from Union Station in downtown Los Angeles to East Pasadena. An eastward extension is underway and is expected to be completed in 2014.

Passenger and commercial airline service to Pasadena is provided by the Bob Hope Airport (located 14 miles northwest of the city) in Burbank and Los Angeles International Airport (located 24 miles southwest of the city) in Los Angeles.



### Proposed Trolley Route





## LOCATION OVERVIEW

### Major Industries/Employment

Pasadena's economic strengths come from its leading scientific institutions, a large international engineering base, a regional health care cluster, and a broad retail sector. Since 2011 Pasadena has made significant employment gains, primarily in the medical engineering, technology and financial fields. As of April 2012, Pasadena's unemployment rate stood at 9.1%, the second lowest in Los Angeles County (behind Santa Clarita). Historically Pasadena has outpaced the County significantly, and over the last decade has maintained an average unemployment rate of 5.8%.

### Education

Pasadena has a multifaceted inventory of world class educational institutions, such as the California Institute of Technology, Art Center College of Design, Fuller Theological Seminary, Pasadena City College, Pacific Oaks College and other private schools. The University of Phoenix Pasadena Learning Center is located just a few doors down from Casa Loma, and offers both undergraduate and graduate degree programs. Each institution complements current and emerging economic trends to produce a rich source of skilled labor capable of pursuing highly specialized occupations and business ventures. A healthy economic environment that supports these institutions will continue to elevate Pasadena's advantage over other cities in the region.



## LOCATION OVERVIEW

### POINTS OF INTEREST

#### Pasadena and Environs

Best known as the site of the Tournament of Roses Parade each New Year's Day and host of the annual Rose Bowl football game, Pasadena is also home to many scientific and cultural institutions, including the California Institute of Technology (Caltech), the Jet Propulsion Laboratory, the Pasadena Playhouse, the Norton Simon Museum of Art and the Pacific Asia Museum.

With 16 historical districts packed into 23 square miles, Pasadena has a refreshing old-time feel with a wealth of incredible architecture and approximately 1,000 buildings that are listed on the National Register of Historic Places to discover (according to the Pasadena Chamber of Commerce). Food lovers can enjoy over 500 restaurants covering the gamut of food categories and international cuisines before heading off to the historic Playhouse District, an intimate scene where art, architecture, and culture abound. Residents and visitors can enjoy pleasant surroundings while finding one-of-a-kind treasures in one of Pasadena's multitude of unique community gathering places, boutiques, and shopping districts. Whether it is architecture, sightseeing, dining and shopping or art and culture, Pasadena has something for everyone.





## LOCATION OVERVIEW

### DISTRICTS

#### Old Pasadena

Old Town Pasadena is a beautiful shopping, entertainment, and nightlife neighborhood that features diverse restaurants, shops, and attractions. Located just ten miles east of downtown Los Angeles, Old Town Pasadena is a popular hub for tourism, the arts, entertainment, and spectacular sightseeing. Nationally recognized for its vibrant main street revitalization the Old Pasadena district is home to an eclectic mix of more than 200 one-of-a-kind specialty boutiques and exclusive national retailers concentrated in an authentic downtown. Old Pasadena offers memorable architecture and reflects the traditions of early California, blending in a cultivated collection of shopping, delectable dining and endless entertainment.

Situated on over ten blocks mainly along the famed Colorado Boulevard, Old Town Pasadena is a fairly-recently revitalized district that reintroduces early twentieth century architecture, vintage American charm, and its rustic character. The city's original commercial hub in the 19th century, Old Pasadena's historic streets and alleyways, rustic brick façades and architectural accents of Pasadena's original business district are alive again with open-air eateries, specialty boutiques, galleries, theaters, antique shops—a skillful blend of old and new that has reclaimed the heritage of Pasadena's early downtown charm.

The 22-block area is listed on the National Register of Historic Places and encompasses two city parks, a historic performance band shell, and the Moorish-influenced Castle Green—one of Pasadena's first grand hotels, built in 1898. ([www.oldpasadena.org](http://www.oldpasadena.org)) and ([www.oldtownpasadena.org](http://www.oldtownpasadena.org))

#### Playhouse District

Connecting Old Town Pasadena, Paseo Colorado and the Lake Avenue business corridor is Pasadena's charming Playhouse District. Known for an eclectic mix of antique sellers, museums, bookstores, restaurants, and one-of-a-kind shops, all enhanced with culture and 1920s architecture, the Playhouse District is one of Pasadena's strongest centers for art, literature and entertainment. The area enjoys a 7-screen Laemmle Art cinema as well as the ever popular expanded Vroman's Bookstore. At the heart of the district is the iconic Pasadena Playhouse. Listed on the National Register of Historic Places, the Pasadena Playhouse has been the cultural center of the district, home to a diverse variety of theatrical productions since 1917. ([www.playhousedistrict.org](http://www.playhousedistrict.org))

#### South Lake Avenue

A European-style tree-lined avenue, the South Lake district is flanked by a mixture of Pasadena institutions like Pie 'n Burger and Smitty's Grill, as well as brand-name stores and restaurants. Its cornerstone, Macy's department store, is a sleek, modern icon, circa 1947, designed by renowned architect Welton Becket, and—in the spirit of the district—the building is small enough for easy navigation. The 10-block area winds its way between Colorado and California boulevards. ([www.southlakeavenue.org](http://www.southlakeavenue.org))



## LOCATION OVERVIEW

### DINING

Pasadena is home to the Le Cordon Bleu College of Culinary Arts, one of only 16 such schools in the country—and you can sample the delicious results of its curriculum. As the birthplace of Julia Child, Pasadena was simply destined to be one of the top cities in the region for gastronomy. With 500 restaurants covering the gamut of food categories and international cuisines, it's a foodie's paradise, from New American cuisine served by Chef David Féau at The Royce at The Langham Huntington to the northern Italian dishes featured at Trattoria Tre Venezie. Sample authentic Spanish fare at Bar Celona or satisfy your sweet tooth with some See's Candy—it all started right here, in Mary See's kitchen. Stroll from one trendy watering hole, like megaproducer Gale Anne Hurd's Vertical Wine Bistro, to another.

### SHOPPING

Shopping here is like a vacation in and of itself. The South Lake Avenue district covers 10 blocks and features Macy's, along with brand-name fashion and home decor shops, all within its easily walkable area. The Old Pasadena district is home to an eclectic mix of more than 200 one-of-a-kind specialty boutiques and exclusive national retailers concentrated in an authentic downtown. One Colorado, a creative expanse of more than 25 stores, is anchored by a beautiful brick courtyard in Old Pasadena. Paseo Colorado, at the core of the Civic Center, features a luxurious open-air promenade and more than 60 street-front shops. The historic Playhouse District offers an intimate scene where art, architecture, and culture abound. The shops in the area are a reflection, and include culinary arts, music, and bookstores. A multitude of museum stores throughout town offer a wide selection of distinctive gifts, while monthly flea markets and shops dedicated to vintage finds make the city an antique lover's dream.

#### One Colorado

Nestled in the heart of Old Pasadena, One Colorado is a creative square where 19th-century architecture meets superlative shopping, elegant alfresco dining, and free outdoor film festivals, live music, and art events. The array of vendors includes national retailers like the Gap, as well as unique boutiques and cafes. Shop at Elisa B., Kate Spade, In Soho, Juicy Couture, The Soap Kitchen, and Dot's Cupcakes. Enjoy patio dining at Sushi Roku and AKA American Bistro. ([www.onecolorado.com](http://www.onecolorado.com))

#### Paseo Colorado

Located in the Civic Center along historic Colorado Boulevard, Paseo Colorado is an open-air marketplace featuring shops, restaurants, an upscale grocery store, a movie theater, and trendy lofts. New releases play on 14 screens at ArLight Pasadena Cinemas, and specialty retailers include Tommy Bahama, MAC Cosmetics, BCBG Max Azria, and J. Jill. Landscaped promenades lead to a courtyard where water fountains and café tables offer opportunities for rest and people watching. Indulge your palate at Cold Stone Creamery, Yard House, Tokyo Wako Sushi Bar, or Bodega Wine Bar. ([www.paseocoloradopasadena.com](http://www.paseocoloradopasadena.com))





## LOCATION OVERVIEW

### ART AND CULTURE

Pasadena is alive with remarkable art collections, architecture, literature, and entertainment. The Huntington Library, Art Collections, and Botanical Gardens is home to Gainsborough's masterpiece, "The Blue Boy" and the Norton Simon Museum has one of the most remarkable private art collections in the world. Rounding out these collections is the Pacific Asia Museum, among just four institutions in the country dedicated exclusively to the arts and culture of Asia and the Pacific Islands.

### ARCHITECTURE

#### Tournament House and Wrigley Gardens

This ornate mansion, once owned by chewing gum manufacturer William Wrigley, Jr., was built between 1908 and 1914, and today serves as the headquarters for the Pasadena Tournament of Roses® Association. ([www.tournamentofroses.com](http://www.tournamentofroses.com))

#### California Institute of Technology (Caltech)

Pasadena is also home to the famous California Institute of Technology (CalTech), which boasts 22 Nobel prize winners among its alumni. The CalTech-operated Jet Propulsion Laboratory was the birthplace of America's space program, and CalTech scientists were the first to report earthquake activity worldwide in the 1930s. Tour the historic halls of one of the world's most widely recognized institutions for the study of science and engineering. ([www.caltech.edu](http://www.caltech.edu))

#### City Hall

This exquisite 1927 landmark exhibits Italian Renaissance and Spanish influences with its red tile roof, ornate fountain, and lush garden courtyard. ([www.cityofpasadena.net](http://www.cityofpasadena.net))

#### The Gamble House

Built in 1908 during the American Arts and Crafts movement, this masterpiece is the best preserved example of work from internationally recognized architects Charles and Henry Greene. The home was built for David and Mary Gamble of Procter & Gamble and is listed on the National Register of Historic Places. ([www.gamblehouse.org](http://www.gamblehouse.org))

#### Historic San Gabriel Mission District

Step into history in the San Gabriel Mission District, the fourth of California's 21 missions. Come tour the Old Mission, take the historic walk, and enjoy entertainment, retail, and dining opportunities. ([www.sangabrielmission.org](http://www.sangabrielmission.org))



## LOCATION OVERVIEW

### PERFORMING ARTS

#### **Pasadena Convention Center**

The Pasadena Convention Center is centrally located in the heart of Pasadena. The City of Pasadena recently completed a \$150 million dollar expansion of the Pasadena Conference Center in March 2009. The state of the art center features 85,000 square feet of meeting and exhibit space, a 25,000 square foot ballroom and the 28,000 square foot, 3,029 seat Civic Auditorium. Built in 1931, the 3,029 seat Civic Auditorium is the focal point of the complex and hosts music concerts, the Emmys, the Distinguished Speaker Series, the Rachamananoff Festival, American Idol and many other entertainment and cultural events. ([www.pasadenacenter.com](http://www.pasadenacenter.com))

#### **Pasadena Playhouse**

Anchoring the Playhouse District and built in 1917, the Playhouse is the Official State Theatre of California and a National Historic Landmark, and features Tony and Pulitzer award-winning plays. ([www.pasadenaplayhouse.org](http://www.pasadenaplayhouse.org))

#### **Pasadena Civic Auditorium**

The renowned 3,000-seat theater, dedicated in 1932, is on the National Register of Historic Places and home to the Distinguished Speakers Series, concerts, and other entertainment year-round. ([www.thepasadenacivic.com](http://www.thepasadenacivic.com))

#### **Pasadena Jazz Institute**

Performances by the area's finest jazz musicians. ([www.pasjazz.org](http://www.pasjazz.org))

#### **Pasadena Symphony and Pasadena POPS**

Pop, symphonic, and youth orchestra performances by the Pasadena Symphony are offered October–May at the Ambassador Auditorium and an outdoor summer series by the Pasadena POPS at the Lawn adjacent to the Rose Bowl. ([www.pasadenasympphony-pops.org](http://www.pasadenasympphony-pops.org))

#### **Southwest Chamber Music**

Presenting concert series at cultural institutions including the Armory Center for the Arts and a celebrated summer festival at The Huntington Library, Art Collections, and Botanical Gardens. ([www.swmusic.org](http://www.swmusic.org))





## LOCATION OVERVIEW

### ART MUSEUMS

#### **The Huntington Library, Art Collections, and Botanical Gardens**

The library features works from British and American history and literature, including an original Gutenberg Bible and Chaucer's *Canterbury Tales*. Three art galleries showcase 18th- and 19th-century British and French masterpieces, including "The Blue Boy" and "Pinkie." ([www.huntington.org](http://www.huntington.org))

#### **Norton Simon Museum**

This world famous museum and garden features seven centuries of European art from the Renaissance to the 20th Century, including works by Van Gogh, Picasso, Rembrandt and Fragonard. The Museum's collection encompasses more than 11,000 objects and features an extensive collection of South Asian sculpture and a sculpture garden with works of Rodin. ([www.nortonsimon.org](http://www.nortonsimon.org))

#### **Pacific Asia Museum**

Designed as a replica of an imperial Chinese palace, the Pacific Asia Museum is a veritable treasure trove of artifacts from Pacific Asian countries, such as Japan and China. Established in 1971, the museum's 17,000 pieces have been donated by Pasadena art collector Grace Nicholson, who passed away in 1948. Her love of art has been translated in to this museum that features the best of Asian art, sculptures and ceramics, which date back to the Han and Ming dynasties. Make sure you drop into the courtyard garden, which has been designed to look exactly like a Chinese garden. ([www.pacificasiamuseum.org](http://www.pacificasiamuseum.org))

#### **Pasadena Museum of California Art (PMCA)**

Around the corner from the Pacific Asia Museum, PMCA is the only museum in Southern California devoted exclusively to California art, architecture, and design. ([www.pmcaonline.org](http://www.pmcaonline.org))

#### **Pasadena Museum of History**

Near the Gamble House is the Pasadena Museum of History, The Finnish Folk Art Museum, and the 18-room Fenyes Estate, circa 1905, which contains its original furnishings and paintings. ([www.pasadenahistory.org](http://www.pasadenahistory.org))

#### **Kidspace Children's Museum**

Kids can create an earthquake in the Shake Zone, scale climbing platforms on the Raindrop and Wisteria Climbers, uncover plant and animal fossils in The Dig, and bring samples of rocks, plant life, soil, or other natural objects to trade at the Kidspace Nature Exchange. ([www.kidspacemuseum.org](http://www.kidspacemuseum.org))



## LOCATION OVERVIEW

### GARDENS

#### **The Huntington Library, Art Collections, and Botanical Gardens**

The Huntington is an oasis of art and culture set amid 120 acres of breathtaking gardens. More than a dozen gardens feature 14,000 species of plants. ([www.huntington.org](http://www.huntington.org))

#### **Descanso Gardens**

Located on 160 acres, Descanso Gardens features forests, streams, a lake, and a bird sanctuary highlighted by 80 acres of colorful flowers, including camellias, lilacs, and roses. ([www.descansogardens.org](http://www.descansogardens.org))

#### **Los Angeles County Arboretum & Botanic Garden**

This 127-acre horticultural and botanical center features plants from around the world, native and migrating birds, wildlife, colorful peacocks, and historic buildings, including the Queen Anne Cottage made famous in Fantasy Island. ([www.arboretum.org](http://www.arboretum.org))

#### **Wrigley Gardens**

The Centennial Rose Garden at the Tournament House features 1,500 varieties of roses, camellias, and annuals. ([www.tournamentofroses.com](http://www.tournamentofroses.com))

#### Sources:

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